

Internal Revenue Service

Department of the Treasury

Date:

Contact Person/ID Number:

Contact Telephone Numbers:

Response Due Date:

Employer Identification Number:

Dear Sir or Madam:

We are conducting a compliance check of your governmental bond as part of our ongoing efforts to increase voluntary compliance by governmental bond issuers. We are asking you to answer questions concerning your post-issuance bond compliance procedures.

General Information

Governmental bonds are tax-exempt bonds issued by a State or local government which are not private activity bonds as described in section 141 of the Internal Revenue Code.

The tax-exempt status of governmental bonds remains throughout the life of the bonds if all applicable federal tax laws are satisfied while the bonds are outstanding. Various requirements apply under the Internal Revenue Code and Income Tax Regulations including information filing and other requirements related to issuance, the proper and timely use of bond-financed property, and arbitrage yield restriction and rebate requirements.

To comply with these and any other applicable federal tax requirements, governmental bond issuers must ensure that the rules are met at the time the bonds are issued and throughout the term of the bonds. Generally, this includes the continued maintenance of records sufficient to establish compliance with all applicable federal tax requirements until three years after the final maturity of the bonds. Also, continued maintenance of records related to periods before the bonds are issued and after the bonds mature is oftentimes necessary, particularly in instances involving reimbursements of prior expenditures or refundings of prior bond issues.

What You Need To Do

Please complete the enclosed Form 14002, *Governmental Bond Financings Compliance Check Questionnaire*, and follow the instructions below for sending the questionnaire to us.

How To Send The Information To Us

Attach a copy of this letter to the front of the requested information, and send the information to us, by the due date shown above, using one of the following methods:

- Mail your reply to the address shown in the heading of this letter.
- Email your reply (in PDF format) or questions to teb.cpm@irs.gov and indicate "Governmental Bond Questionnaire" in the subject line. Be sure to include your name, telephone number and the best time to

reach you; as we will be replying to your questions by telephone. **Note: This email address is for replies or questions related to this letter only, we cannot respond to other information or questions.**

Failure to use the above mailing address or email address may result in processing delays. If you fail to reply by the above date, we may forward your governmental bond issue for examination consideration.

In the spaces below, please provide an official's name, title, telephone number and most convenient time for us to call should we need to speak with someone regarding your governmental bond issue.

Name of official: _____ Time: _____

Title: _____ Telephone Number: () _____

More Information

Through our website at www.irs.gov/bonds, you can access materials relating to tax-exempt bonds including Publication 4079, *Tax Exempt Governmental Bonds Compliance Guide*, which provides an overview of the federal tax rules and filing requirements applicable to governmental bonds. You can find answers to frequently asked questions about record retention requirements under "Exempt Bond FAQ's." In addition, you will find an article entitled, "After the Bonds are Issued: Then What?" in Publication 4344, *Report of Recommendations - Advisory Committee on TE/GE*, intended for government officials in developing policies, procedures and systems to ensure that your bonds remain tax-exempt.

We have enclosed Publication 4386, *Compliance Checks*, which answers some frequently asked questions about compliance checks.

If you have any questions about this letter, you can contact the person named in the heading or email your questions to the address shown under **How To Send the Information to Us**.

Thank you for your cooperation.

Sincerely,

Manager, Compliance & Program Management
Tax Exempt Bonds

Enclosure(s):
Form 14002
Publication 4386